

# NEWS RELEASE

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## Department oversight of maintenance contractors for Alberta highways can be improved

**EDMONTON, AB — November 18, 2024** — A report released today by the Auditor General of Alberta found that while the Department of Transportation and Economic Corridors has processes to ensure it monitors the performance of its highway maintenance contractors and supports the contract structure, not all of these processes are effective, and they can be improved.

Each year, the department spends over \$320 million to maintain over 64,000 lane-kilometres of highways throughout Alberta. For the last 30 years, the department has been outsourcing highway maintenance work to contractors and overseeing results. Highway maintenance does not include any major rehabilitation, repair or construction of roads, highways, or related infrastructure.

“The department spends a lot of money to maintain its highways. It needs effective systems to ensure contractors do the work they are getting paid for and any extra work it gives the contractors follows its procurement policies,” said Auditor General Doug Wylie.

The audit looked at whether the department has effective processes to monitor the performance of its highway maintenance contractors and chooses the right type of contract for the work required. The audit did not focus on the condition of highways or the department’s systems to manage a safe provincial highway network.

The report found that the department:

- does not have evidence or adequate reporting from the contractor to demonstrate how all contract requirements are being met
- does not always reduce payment for materials that do not meet specifications
- does not always comply with its sole-sourcing policy when it gives extra work to contractors
- lacks controls for pricing and approving all extra work

The Auditor General makes two recommendations to the department to ensure contractors meet requirements and improve its guidance and processes to administer extra work.

The *Highway Maintenance Contracts Performance Audit* is available at [www.oag.ab.ca](http://www.oag.ab.ca).

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